

## STATEMENT OF PURPOSE

RS30445 / S1120

Idaho utilizes a population-based method to regulate the density of retail liquor-by-the-drink licenses. This system has come to be known as the “quota system.” Unintentionally, this system has created a speculative market for liquor licenses. This legislation will end that speculative opportunity for licenses issued after July 1, 2023, because they will no longer have that transfer option. Realizing that current quota license holders may have a significant investment in their license, the bill will allow current quota licensees to sell their license one time. Thereafter, those licenses will also be non-transferable. Through attrition we can correct this flaw in the current licensing model. .

## FISCAL NOTE

There will be no immediate impact to the general fund, however, funding to the Idaho State Police – Alcohol Beverage Control (ABC) unit will be impacted over time but because the decline will be gradual it is impossible to quantify. For perspective, ABC currently charges a 10% transfer fee based upon the sales price of quota licenses. Funding to ABC from those quota licenses sold has averaged \$488,000 over the past five years.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).